



# BRITISH COLUMBIA

## **SPEECH FROM THE THRONE**

The Honourable Steven L. Point, OBC

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Lieutenant-Governor

— *at the* —

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Thirty-Ninth Parliament

— *of the* —

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As we begin this 39<sup>th</sup> Parliament, we pause to honour those who have passed since this Assembly last convened and to recognize those working to safeguard people and communities around our province.

Members recognize the contributions of those who have helped build our province who have passed on: Provincial Court Chief Judge Hugh Stansfield, former Supreme Court of Canada Justice William Rogers McIntyre, architect Arthur Erickson, university chancellor Dr. William Gibson, former MLA Evan Wolfe, former MP Joy Langan, Mayor Aman Virk, former mayor Harold Moffat, councillor Brian Given, RCMP Inspector Jim Wakely and community builders Wendy Ladner-Beaudry and Bennie Yung.

The arts community has bid farewell to the talented David Ross and Lorena Gale.

We join First Nation communities in mourning the passing of Chief Viola Wyse, Chief John L. George, elder and former chief Russell Williams, elder Joe Michel and councillor Frank Rivers Jr.

And we salute the 38 members of the B.C. Public Service who have passed away since we last met. They dedicated themselves to serving the people and communities of B.C. It is the high calibre and dedicated efforts of our professional public servants that have realized the service gains made over the last eight years.

We honour the memory of pilot Robert Woodhead, lost while fighting wildfires. Nowhere has the dedication of our public servants been more visible than in the superb efforts of our forest service, firefighters, emergency personnel, police and volunteers in the face of this summer's fire season. Every British Columbian has marveled at their stamina and professionalism. It is a reflection of a remarkable public service. For that, all British Columbians are grateful.

Today, more than ever, we must all dedicate ourselves to our children and grandchildren.

As British Columbia endures its worst recession in 27 years, many are worried about their economic future. Families worry about their prospects. Government shares their concerns. It will dedicate its efforts to improving B.C. families' prospects and economic circumstances. It will not happen overnight and it will not be easy, but government will work tirelessly, so B.C. comes out of this economic maelstrom stronger.

The pace, depth and scope of the economic crisis surpassed expectations.

We have been hit by seismic economic shifts that were unpredictable and brutally deceiving in their speed and force. They rocked our province, hurt our industries and have left thousands of workers worried or unemployed.

Government revenues have been decimated. Billions of dollars have been lost to falling commodity prices, smaller incomes, shrinking exports and lower sales. As recently as the past couple of months, government's books were shifting by hundreds of millions of dollars on a weekly basis.

Record forest fires have put homes and people at risk, have cost us hundreds of millions of dollars and have added to our financial burden.

Most economists are now predicting that British Columbia's economic growth rate will be either first or second in Canada next year. As in the early part of this decade, it is a smart focus on our economy that will lead us back to the successful position that, only a year ago, we took for granted.

In May of this year we heard clearly from British Columbians that they wanted a stable government that would live within its means, improve and protect vital services and lower costs on the economy so that we could invest in jobs and infrastructure. To meet those commitments to British Columbians and to propel our province forward, difficult decisions need to be made. The federal government is providing flexibility and \$1.6 billion in transition assistance to facilitate the most significant economic development initiative that B.C. can undertake in preparation for the economic turnaround.

The government committed to work to make B.C. more competitive, reduce barriers to the economy and protect core public services. A harmonized sales tax fits all three of those broad economic objectives. It has been advocated by small businesses and large industries alike. Ontario's decision to move to the harmonized sales tax made it imperative that our government act quickly.

B.C. would be put at a significant disadvantage if it did not act to match Ontario's timetable. The harmonized sales tax places us on a stronger job creation and investment footing.

Further, the additional \$1.6 billion in transition funding will help protect vital health and education services.

As difficult and rapid as this decision was, it was critical to our economic future.

It is a significant change and government recognizes that some will be asked to make significant adjustments. Government will work to help mitigate negative impacts.

While some say government should have waited, the danger in that course of action was twofold. First, we would have lost significant investment opportunities and the jobs that go with them. Second, we would have faced substantial service reductions, layoffs and curtailments in the short term and faced heavier debt costs in the long term that could otherwise be alleviated with federal transition assistance.

The 12 per cent harmonized GST and PST will be the lowest in Canada. It allows for new flexibility that maintains our position as the second-lowest tax regime in the country. It encourages investment and productivity gains. The benefits will flow through in higher productivity, higher wages and lower costs, increased competitiveness, reduced bureaucracy and red tape, more jobs and a stronger economy in every part of the province.

The HST will save B.C. taxpayers \$30 million in administration costs annually and will save B.C. businesses over \$150 million in compliance costs every year.

It will lower business costs on productivity by almost \$2 billion annually.

Like six other provinces, B.C. will no longer charge sales tax on business inputs.

It clearly benefits thousands of workers in construction, manufacturing, transportation, forestry, mining, agriculture, retail, new media, film and energy.

Savings on inputs currently taxed by the PST will improve our companies' ability to re-invest in B.C., expand their businesses, decrease bureaucracy and regulatory costs, increase productivity, raise wages and create more jobs.

Further, experience has shown that as new input credits reduce the production costs of goods, they lead to lower retail prices for consumers.

More will be said about this important initiative in the coming Budget.

People are worried and we must do what we can to restore their confidence, revive investment and increase jobs. The task ahead is difficult but we have faced difficult circumstances before and come out stronger. We can again.

We can create new jobs as a global leader in clean energy and energy conservation; in green building technologies and affordable housing in our cities and towns; in wood innovation and design; in water conservation and management.

Shrinking revenues will by necessity curtail our discretionary spending.

The fiscal cupboard is bare and currently hangs on a wall of deficit spending. Intrinsic to our budget crunch is the chance to discover new ways of doing things and to find new savings by doing things differently in all ministries and Crown agencies.

The answer to today's fiscal challenges is not to slough them off to future taxpayers.

It is not to take the easy path of least resistance that pretends nothing has changed.

This government chooses to take the harder path that resists overspending.

Now is not the time to give up on the future.

We cannot pretend that we can borrow with impunity to satisfy our wants without hurting future generations' ability to provide for their basic needs.

While we will protect critical health and education services, we will not throw up our hands, throw in the towel and borrow our way into oblivion.

We must minimize spending on non-essential services and target discretionary spending where it is needed most: to help patients, students, children and families and to create a new economic framework, new revenue and new jobs while protecting public services that are indispensable.

That principle shaped the February Budget and it will continue to guide our way forward.

Yet, even with announced spending constraints and new austerity measures, there is no way to fully offset the devastating impact of falling revenues without massive tax hikes or severe cuts in crucial services.

Neither of those options is acceptable to this government or to taxpayers.

That is why this year's deficit will be far higher than originally forecast and why amendments will be required to balance the budget following four years of deficits instead of two.

Government will continue to target strategic investments to generate economic growth and job creation.

Significant reductions in controllable costs, including government funding for discretionary grants and contributions, will be necessary.

All ministries and Crown agencies will work to find new ways of doing things so we can deliver quality services at lower costs.

Central to that endeavour is the need to constrain wage-related spending pressures.

Rising public sector wage and benefit costs only put more pressure on government to find savings through layoffs and other workforce reductions.

That is something that our government is working very hard to minimize. As long as we are mired in deficits, there is simply no money available for public sector wage increases.

This government will not contemplate wage rollbacks, as some have suggested.

But neither will it finance new wage hikes through higher debt, through reductions to core services or through vastly increasing public sector layoffs. Our focus instead will be on protecting jobs to preserve the delivery of services while our workforce strives to rejuvenate its ranks for the future, in the face of its aging profile.



Taxpayers have a right to expect that the dollars they are investing for services are optimally managed by all entities reliant on provincial funding and that cost containment is central to their efforts in the months and years ahead.

All government-funded entities will focus their efforts on speeding the return to balanced budgets.

A review is now underway with respect to BC Ferries and TransLink.

Public funding devoted to public transit and ferry services should not be used to subsidize unreasonably high compensation levels or administrative costs.

Adherence to Generally Accepted Accounting Principles should not prevent government from maximizing its public investments in independent, regulated authorities.

Pending the outcome of the Comptroller General's review, legislation may be needed to protect and advance those public interests.

Health Authorities, Boards of Education and Crown corporations will all be subject to similar reviews in the year ahead.

Where service-delivery mechanisms can be improved at a lower administrative cost, they should be.

Where Crown agencies or functions delivered by them can be more cost-effectively administered directly by line ministries, they will be.

Crown entities will systematically be reviewed to maximize public effectiveness and to lower administrative and overhead costs to benefit ratepayers and taxpayers alike.

Changes will be made that put us on a stronger footing.

Next year, the Legislature will adjourn to host the 2010 Olympic and Paralympic Winter Games.

To accommodate that one-time event, government will introduce a one-time amendment to the *Budget Transparency and Accountability Act* to allow for the provincial Budget to be introduced on March 2, 2010.

This fall's legislative agenda will be busy.

The *Labour Mobility Act*; *Insurance Amendment Act*; *Strata Property Amendments Act*; *Wills, Estates and Succession Act*; and *Police Amendment Act* will all be reintroduced.

The *Lobbyists Registration Act* will also be strengthened with new investigative and enforcement provisions.

Government will introduce legislation to restrict cell phone use while driving a vehicle to create a safer driving and pedestrian environment for all.

New legislation will deny income assistance to anyone in British Columbia who has an outstanding warrant from another province.

Government will legislate a new Residents Bill of Rights to set out clear commitments to care and to the rights of residents living in residential care facilities.

We will act this session to legislate labour mobility for all Canadians wanting to work in British Columbia and to advance open trade with Alberta under the Trade, Investment and Labour Mobility Agreement.

A new Wood First policy will be legislated this session to require all public buildings to use wood first as their default building material, inside and out.

We will act to strengthen payment protection for forestry contractors under the *Woodworker Lien Act*.

Government is committed to the goal of reconciliation with First Nations.

Despite many historic shifts in understanding and intent over recent years, we still have many miles to walk before we reach the mutual vision we know exists.

Reconciliation demands that we listen to First Nations, and clearly, more work must be done before the *Recognition and Reconciliation Act* is introduced to this house.

While we develop further understanding, we will continue to press for improvements in other ways.

Aboriginal parents tell us that they are worried sick about the housing and education available to their children.

This is a national shame.

We will bring forward provincial resources and policy in the pursuit of new solutions with our First Nations and federal partners.

Reconciliation must be guided by respect.

British Columbia will negotiate agreements on lands and resources based on the recognition of pre-existing Aboriginal rights that coexist with those of the Crown.

We will pursue new treaties, as well as agreements on shared decision making and benefit sharing. We will work with economic partners, communities and with all British Columbians to explore new solutions — solutions that put housing into communities and take students through Grade 12 into post-secondary training, and solutions that have First Nations making decisions about matters that affect their families.

While the path of reconciliation may be long and full of turns, we will follow it with resolve.

We do so for the sake of all our children and those that will follow them.

As we work together to strengthen our social fabric, so must we work to restore our environment.

This administration's commitment to climate action is equally unflagging and crucial to our economy.

The record forest fire season reminds us once again that in spite of the denials, climate change is real and costly.

It costs taxpayers millions each year to mitigate and contain its impacts.

The plan we are pursuing is well underway and will not be derailed. We will work both with our federal government and with leaders in other jurisdictions to develop meaningful solutions that will actually meet our children's needs and help us exceed our goals.

Government will act to ensure our fresh water remains a rich resource that meets economic, social and environmental needs for generations to come.

British Columbians will be consulted on new statutory protections to further safeguard our environment from cosmetic chemical pesticides.

The environment is the foundation of our quality of life and new approaches and new practices will be required by all of us if we are to restore it for the generations that follow.

A Species at Risk Task Force will be established to report out to the government with recommendations by June 2010. Following the example of our climate initiative, it will be asked to suggest a new defining vision with an overarching measurable outcome that British Columbians can work together to achieve within the next decade.

Whether it is the urban landscapes within which we live, or the vast lands that support livelihoods and wildlife, a common achievable purpose can connect us all.

This government will implement an aggressive strategy to turn the challenge of climate change to our citizens' economic advantage.

Green energy will be a cornerstone of British Columbia's climate action plan.

Electricity self-sufficiency and clean, renewable power generation will be integral to our effort to fight global warming.

The BC Utilities Commission will receive specific direction.

Phasing out Burrard Thermal is a critical component of B.C.'s greenhouse gas reduction strategy.

Further, this government will capitalize on the world's desire and need for clean energy, for the benefit of all British Columbians.

Whether it is the development of Site C, run-of-river hydro power, wind, tidal, solar, geothermal, or bioenergy and biomass — British Columbia will take every step necessary to become a clean energy powerhouse, as indicated in the BC Energy Plan.

Government will use the means at its disposal to maximize our province's potential for the good of our workers, our communities, our province and the planet.

While these forms of power require greater investment, in the long run, they will produce exponentially higher economic returns to our province, environmental benefits to our planet and jobs throughout British Columbia.

High-quality, reliable, clean power is an enormous economic advantage that will benefit every British Columbian in every part of this province for generations to come.

Ready access to clean, affordable power has been a huge strategic incentive to industrial development in British Columbia.

We will build on past successes with new strategies aimed at developing new clean, renewable power as a competitive advantage to stimulate new investment, industry and employment.

Growing knowledge industries like database management and telecommunications will increasingly look for new places to invest and create jobs that have clean, reliable, low-carbon, low-cost power.

New energy producers will be looking for long-term investments leveraged through long-term power contracts that give them a competitive edge in our province.

B.C.'s multiple sources of clean, renewable energy are far preferable to reliance on other dirtier forms of power.

We will open up that power potential with new vigour, new prescribed clean power calls and new investments in transmission. New approaches to power generation, transmission and taxation policies will create new high-paying jobs for British Columbia's families.

A new Green Energy Advisory Task Force will shortly be appointed to complement the work of the BCUC's long-term transmission requirement review.

That task force will be asked to recommend a blueprint for maximizing British Columbia's clean power potential, including a principled, economically-viable and environmentally-sustainable export development policy.

It will review the policies, incentives and impediments currently affecting B.C.'s green power potential, and it will identify best practices employed in other leading jurisdictions.

We will promote biomass power solutions and convert landfill waste into clean energy that reduces harmful methane gas emissions.

We will act to outlaw the international export of British Columbia's garbage and landfill waste.

The government has mandated methane capture from landfills to ensure we deal responsibly with our own waste and convert it to clean energy where practicable.

We can be leaders in the commercialization of cellulosic ethanol and other biofuels, as we are in hydrogen and fuel cell technology.

Low-carbon gas development is the key to maximizing B.C.'s energy potential where it can occur with minimal environmental impact.

A new comprehensive Asia Pacific Gateway Authority will be pursued with the federal government. Through it, government will redouble its efforts to open up the critical Northern Corridor with its massive potential as a trade and transportation corridor. That will generate billions of dollars in economic activity and thousands of jobs for Canada's and B.C.'s workers.

British Columbia's unique global advantage as Canada's Pacific Gateway and our exceptional Olympic opportunity are economic launching pads for our future.

An Open Skies Summit at the new Vancouver Convention Centre will be held in September.

It will focus on the opportunities of Open Skies agreements that are crucial for economic growth, international trade and increased tourism in communities across B.C.

British Columbia desperately needs the federal government's help to liberate that opportunity.

The Government of Canada has shown a great willingness to support our province's economic development imperatives over the past several years.

Together, we are opening up our transportation gateways, with new investments in our roads, bridges, ports, railways, airports, border crossings and ferries.



A new transmission line along Highway 37 will replace dirty diesel power in First Nations communities, open new opportunities in mining and clean power production and create job opportunities throughout the Skeena Region.

A new Northern Energy Corridor will open up our ability to export liquefied natural gas from the Northeast through the Port of Kitimat to the massive Asian marketplace.

A new Wood Innovation and Design Centre will be established in Prince George.

We are investing in critical new infrastructure and creating thousands of new construction jobs.

We are building new housing and new facilities that will provide lasting benefits to seniors, patients, students and communities.

A major initiative will be commenced to encourage affordable market housing in B.C. that will put the dream of a single-family home within the economic reach of our children.

Working with B.C.'s municipalities, we will examine all government-imposed costs and legislative frameworks — from property assessment to subdivision regulations and other development tools — with a view to reducing both capital and operating costs for housing in B.C. Our children aspire to owning homes in livable and sustainable communities. Together, we can meet their aspirations.

Nothing is more important as we look to our future than the education of our children. Government has focused its attention on expanding university, college and apprenticeship opportunities in the last eight years. Thousands of new spaces have been created for graduating students.

We must now focus on increasing graduation rates and improving student performance from the earliest years.

Government will place early learning and early-childhood development at the forefront of efforts to improve our education services.

Neighbourhood learning centres will become the focus of intensive activities with city councils, library boards, recreation commissions, parents and professionals. Government will work to establish educational and preschool opportunities in the midst of the neighbourhoods where our families live. Together, we can work to centre neighbourhoods and communities on the needs of our families, their children's education and the environment.

Full-time, five-year-old kindergarten will begin to be delivered in schools throughout British Columbia in September of 2010.

It is easy in difficult times to forget the strength, character and generosity of those who live here. As we confront the challenges of today, we are preparing to welcome the world to British Columbia, Canada, in 2010. British Columbians can take pride in the builders who have completed world-class venues and in the athletes and artists who are preparing today for their time on the biggest stage the world has to offer.

We will introduce our guests and the billions of viewers who will have their eyes on us to a model province in a model country. They will see a province that is striving to be a global leader in clean energy, green building, environmental stewardship and sustainable growth.

When those three billion viewers turn on their televisions, they will marvel at our province's unbelievable beauty.

They will see first-hand what we live every day.

From Vancouver to Vanderhoof. From Victoria to Valemount. From Cranbrook to Kamloops, Kelowna to Prince George and all places in between.

The world will know the majesty of the Peace, the grandeur of the Kootenays, the rugged beauty of the Northwest, the intimacy of our Islands, the vast sweep of the Cariboo Chilcotin and the richness of the Thompson Okanagan.

Today, British Columbians must look beyond the Olympics and all the opportunity it will bring.

That showcase will be the largest-ever single promotion of our future and what our province offers.

International visitors will come to our province and get to know our workers, our companies and our communities. Most importantly, they will get to know the people who live here.

We will show a population that is cosmopolitan and open to the world, an economic climate that welcomes investment and a workforce that is productive, innovative and creative.

This is our time to hold up the picture of how things can be and show a people ready to accept and meet our tests with openness and honesty, who know that accepting the difficult challenge is the road to a better future for us all.

Our visitors will find a province whose healthy lifestyle has led to one of the world's longest life expectancies and best qualities of life for those who live here.

They will find a province creating its future and building on its strengths with a long-term vision that focuses on its children and grandchildren.

They will discover British Columbia, Canada, one of the great places in the world to live and raise a family.

In B.C., we live amongst the mountains.

May we all commit to keep our province strong and reach new summits together.



